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Tell ag board to meet farmers' needs

By Tony Herrington

On May 19, the Agriculture Development Board met in Lexington to discuss funding allocations for the next two years. The board decided to allocate the nearly \$38 million from the tobacco settlement this way:

Farmers markets, 0.3 percent; agri-tourism, 1.3 percent; capital access, 27.1 percent; education and leadership, 21.2 percent; marketing-production, 45.4 percent; Kentucky Center for Agricultural Development and Entrepreneurship, 3.2 percent; and other, 1.5 percent.

Community Farm Alliance members were alarmed to learn that the \$7 million for "capital access" is primarily funding the Agriculture Finance Corp. The Agriculture Infrastructure Loan Program, one of four loan programs funded by the corporation, is being used to fund tobacco barns, confined animal-feeding operation buildings and biotechnology facilities.

Of the 40 active loans, 37 are Agriculture Infrastructure loans, including 15 for tobacco barns totaling \$542,892.55, and six for swine and poultry confinement facilities totaling \$527,500. In addition, there are three Agriculture Processing loans, one of which was \$3.6 million for biotechnology facilities for KY Bio Processing.

The Community Farm Alliance, with nearly 2,000 members in Kentucky, specifically objects to any tobacco settlement funds underwriting tobacco barns, confined animal-feeding operations or biotechnology.

The mandate of House Bill 611 is to help tobacco-dependent communities make the transition from tobacco. The money needs to be spent to help farmers secure a new future. Building tobacco barns and confined animal-feeding operations or funding biotechnology corporations will not keep Kentucky farmers on the land.

Originally, the loan program was limited to farmers who are tobacco-dependent. In January, the finance corporation board changed that, allowing anyone to apply for funds, although at a 2 percent higher interest rate. The applicant does not have to be a Kentucky resident.



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At the board's last meeting, it lifted a requirement that only those with at least 20 percent of income from farming in the past two years could be considered for the loan.

By funding the finance corporation, which then disperses money through the infrastructure loan program, the Development Board is, in effect, making tobacco settlement funds available to anyone for purposes already deemed illegitimate by its own board, and the Tobacco Settlement Fund Legislative Oversight Committee.

We have a great opportunity in Kentucky. Because our legislature was so forward-thinking in passing HB 611, we have a chance to transform our agricultural economy.

The Development Board is foremost charged with helping tobacco farmers transition to new crops and new markets. We need to seize the opportunity afforded by additional money for things, such as entrepreneurial assistance for individual farmers, as agreed by the board in November, farm-to-school projects and institutional buying so that we can begin to feed our own citizens while making our farms profitable.

For these reasons, the alliance asked the board not to fund the Agriculture Finance Corp.'s Infrastructure Loan Program. The request was not granted, and the \$7 million was allocated to the corporation.

We respect the Development Board's role and its members' responsibility to protect the ability of 86,500 farm families to remain on their land. However, we do not agree with the blatant use of tobacco settlement funds for projects out of line with HB 611.

We must have programs that are accessible and designed for small farmers. It is important to remember that it is these farmers who have suffered the most from tobacco's demise and are the most vulnerable among us. These farmers need tobacco settlement money to help them sustain the family farm and make a living, not to transplant tobacco to Western Kentucky, build contract confinement operations for out-of-state integrators, or invest in multimillion dollar biotechnology enterprises.

It is incumbent on all of us to have an open and transparent process for making decisions to ensure the very best solutions for the most people.

The Development Board is providing that opportunity through a series of roundtable discussions between the Governor's Office of Agriculture Policy and county councils. Every farmer in the state should attend the discussion in his area and tell the board to reconsider its allocations and new direction.

It is time for the Development Board to refocus and remember the tobacco-dependent farmers for which it was organized. Whose future are they funding now?

Tell board members what your needs are, and to back solutions that support individual farmers and reach the grass-roots level.

A schedule of roundtable meetings can be found at: www.kyagpolicy.com/calendar.shtml.

Tony Herrington, a tobacco and cattle farmer in Harrison and Bourbon counties, is a member of the Community Farm Alliance board of directors and was the charter chairman of the Harrison County Agriculture Development Council.